

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02034A
Cienega Water Company, Inc.
PO Box 3518
Parker, AZ 85344

RECEIVED

APR 19 2006

Z Corporation Commissic
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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4-2006
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FOR COMMISSION USE

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5-3-06
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COMPANY INFORMATION

Company Name (Business Name) <u>Cienega Water Co., Inc.</u>		
Mailing Address <u>PO Box 3518</u>		
<u>PARKER</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)
Email Address <u>elliejack@rraz.net</u>		
Local Office Mailing Address <u>same</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

Management Contact: <u>Eleanor Stephan</u>		<u>President</u>
<u>31876</u> (Street)	<u>Cienega Springs Rd Parker</u> (City)	<u>AZ</u> (State)
<u>85344</u> (Zip)	<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)
<u>n/a</u> Pager/Cell No. (Include Area Code)	Email Address <u>elliejack@rraz.net</u>	
On Site Manager: <u>same</u>		
<u></u> (Street)	<u></u> (City)	<u></u> (State)
<u></u> (Zip)	<u></u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)
<u></u> Pager/Cell No. (Include Area Code)	Email Address <u></u>	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jack Haas
7804 Riverside Dr ^(Name) Parker AZ 85344
 (Street) (City) (State) (Zip)
928-667-2590
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
Attorney: NONE
 (Name)
 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME CIENEGA WATER CO., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	10565	10565	0
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes & storage tanks	42793	9467	33326
331	Transmission and Distribution Mains	61812	9273	52539
333	Services	20637	3096	17541
334	Meters and Meter Installations	17880	11464	6416
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3545	531	3014
340	Office Furniture and Equipment	1177	1177	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	2408	2408	0
344	Laboratory Equipment			
345	Power Operated Equipment	12155	3241	8914.
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	172,972	51225	121748

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cienega Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

Please refer to
attached Pg. 5-A

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

Depreciation spread for Cienega Water Co.

description	yr purc'd	orig cost	prev. deprec.	2000depre.	2001 depre.	2002 depre.	2003 purc.	2004 depre	2005 depre	total deprec	balance left
wells & springs	pre 1999	10,565.00	10,565.00							10,565.00	0.00
distribution res. & standpipe	pre 1999	3,589.00	3,455.00	134.00						3,589.00	0.00
meters	pre 1999	17,880.00	1,913.00	1950.92	0.00	1,900.00	1,900.00	1,900.00	1,900.00	11,463.92	6,416.08
office equipment	pre 1999	1,079.00	1,079.00							1,079.00	0.00
equipment & tools	2000	1,291.63	0.00	1291.63						1,291.63	0.00
equipment & tools	2001	1,116.66	0.00	0.00	1,116.66					1,116.66	0.00
power operated equipment	2002	12,155.30	0.00	0.00	0.00	810.35	810.35	810.35	810.35	3,241.40	8,913.90
		powered equipment do at 15 s/l									
office equipment	2003	98.13	0.00	0.00	0.00	0.00	98.13			98.13	0.00
storage tanks	2003	39,204.00	0.00	0.00	0.00	0.00	1,960.00	1,960.00	1,960.00	5,880.00	33,324.00
trans & distribution mains	2003	61,811.70	0.00	0.00	0.00	0.00	3,091.00	3,091.00	3,091.00	9,273.00	52,538.70
services	2003	20,637.00	0.00	0.00	0.00	0.00	1,032.00	1,032.00	1,032.00	3,096.00	17,541.00
other plant & misc equip	2003	3,545.00	0.00	0.00	0.00	0.00	177.00	177.00	177.00	531.00	3,014.00
										0.00	0.00
total		172,972.42	17,012.00	3376.55	1,116.66	2,710.35	9,068.48	8,970.35	8,970.35	51,224.74	121,747.68
total of depreciation			17,012.00	20388.55	21,505.21	24,215.56	33,284.04	42,254.39	51,224.74		

COMPANY NAME CIENEGA Water Co., Inc.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

*Please refer to
attached 6-7 A & B*

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Ciénega Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

*Please refer to
Attached pg 6-7 PAB*

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2005

	Dec 31, 05	Dec 31, 04
ASSETS		
Current Assets		
Checking/Savings		
105 · Cash in Bank - Bank One	11,430.86	8,794.68
Total Checking/Savings	11,430.86	8,794.68
Total Current Assets	11,430.86	8,794.68
Fixed Assets		
185 · Utility Plant in Serv	14,154.00	14,154.00
190 · Orig. Meters 1995	17,879.78	17,879.78
191 · New-Repl'd Construction '02-'03		
191-A · Storage Tanks	39,204.00	39,204.00
191-B · Trans & Distrib. Mains	61,812.00	61,812.00
191-C · Update Service Loc.	20,637.00	20,637.00
191-D · Power Operated Equipment	12,155.00	12,155.00
191-E · Other Misc Plant	3,545.00	3,545.00
Total 191 · New-Repl'd Construction '02-...	137,353.00	137,353.00
192 · Small Equipment & Tools	2,408.29	2,408.29
193 · Office Equipment	1,176.67	1,176.67
195 · XX- Accum. Depreciation	-51,225.54	-42,255.39
Total Fixed Assets	121,746.20	130,716.35
Other Assets		
197 · Computers	2,239.74	2,239.74
Total Other Assets	2,239.74	2,239.74
TOTAL ASSETS	135,416.80	141,750.77
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
205 · Accts Payables	6,000.00	3,600.00
Total Accounts Payable	6,000.00	3,600.00
Other Current Liabilities		
200 · Notes Payable	0.00	1,000.00
Total Other Current Liabilities	0.00	1,000.00
Total Current Liabilities	6,000.00	4,600.00
Long Term Liabilities		
240 · LongTerm Notes/Bonds	43,648.00	43,648.00
245 · LongTerm CSDC-Loans	12,000.00	12,000.00
250 · Work Loan from Merco	136,472.57	139,187.95
Total Long Term Liabilities	192,120.57	194,835.95
Total Liabilities	198,120.57	199,435.95
Equity		
325 · Capital Stock	5,700.00	5,700.00
350 · Retained Earnings	-63,385.18	-58,762.77

Pg 6-7 A

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04/17/06
Accrual Basis

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2005

	Dec 31, 05	Dec 31, 04
Net Income	-5,018.59	-4,622.41
Total Equity	-62,703.77	-57,685.18
TOTAL LIABILITIES & EQUITY	135,416.80	141,750.77

Pg 6-7 B

COMPANY NAME CIENEGA WATER CO., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

Please refer to
attached pg 8-17

Cienega Water Co., Inc.
Profit & Loss
January through December 2005

	<u>Jan - Dec 05</u>	<u>Jan - Dec 04</u>
Income		
410 · Metered Water Sales	30,801.50	35,156.26
490 · Miscellaneous Income	0.00	62.13
Total Income	<u>30,801.50</u>	<u>35,218.39</u>
Expense		
610 · Automobile Expenses	31.04	574.53
611 · Bank Charges	21.50	235.94
612 · Depreciation	8,970.15	8,970.35
615 · Dues & Subscriptions	105.00	120.00
618 · Equipment R & M	2,400.00	2,400.00
620 · Insurance	0.00	53.36
625 · Interest Pd	10,360.66	9,581.04
631 · Management Services	7,200.00	7,200.00
635 · Office Exp & Postage	119.60	199.69
640 · Prof. Fees (Legal/Acct)	1,272.00	1,601.25
645 · Supplies	116.01	3,598.15
647 · Water Testing	876.69	1,249.73
650 · Sales Taxes	1,763.42	1,788.32
685 · Utilities	1,277.38	1,062.18
690 · Income Taxes	0.00	50.00
695 · Miscellaneous	-20.00	0.00
698 · Property Taxes	1,326.64	1,156.26
Total Expense	<u>35,820.09</u>	<u>39,840.80</u>
Net Income	<u><u>-5,018.59</u></u>	<u><u>-4,622.41</u></u>

COMPANY NAME

CIENEGA Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07-01-02			
Source of Loan	Private			
ACC Decision No.	63751# add'l			
Reason for Loan	Reconstruction & replacement			
Dollar Amount Issued	\$ 146,533	\$	\$	\$
Amount Outstanding	\$ 135,720 ¹⁸	\$	\$	\$
Date of Maturity	06-30-24			
Interest Rate	7.0 %	%	%	%
Current Year Interest	\$ 9608 ²⁷	\$	\$	\$
Current Year Principle	\$ 3467 ⁷⁷	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

0

Meter Deposits Refunded During the Test Year

\$

0

COMPANY NAME CIENEGA WATER CO., Inc.

WATER COMPANY PLANT DESCRIPTION

@ this time Not in use

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
1 620744	1	6-7	98	8	1 1/2	1945
2 617676	1	6-7	96	6	2	1959
3 617677	1	6-7	95	10	1 1/2	1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
n/a		NONE	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000	4	n/a	

COMPANY NAME CIENEGA Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	transite	1370
3		3190
4		1120
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	68
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

n/a

STRUCTURES:

STORAGE TANKS

OTHER:

METERS - WELLS & SPRINGS - OFFICE FURNITURE & FIXTURES

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY		<i>Please see Pg 12 - 7 attached</i>	
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTAL			

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Cienega Water Co., Inc. Well Readings & water usage status

2005 running total		Total water pumped each month									
WELL #2	WELL #3										
Dec-03	Dec-03										
JAN	JAN	82151400	607740	19,840	181,040	187,685	5,000	2,230	estimate	water sold	
FEB	FEB	82312600	627580	17,990	172,390	143,105	5,000	1,900	adjust or	vs. pumped	
MAR	MAR	82467000	645570	53,560	81,060	239,444	5,000	1,510	water breaks	over/short	
APR	APR	82494500	699130	24,420	144,420	200,423	5,000	440			notes on water breaks
MAY	MAY	82614500	723550	23,740	273,740	295,370	5,000	320			water break 02-15-05
JUNE	JUNE	82864500	747290	24,580	260,580	286,330	5,000	330			well #2 meter problems
JULY	JULY	83100500	771870	23,860	275,260	271,200	5,000	330			well #2 meter problems
AUG	AUG	83351900	795730	24,170	234,770	246,400	5,000	360			
SEPT	SEPT	83562500	819900	22,860	248,160	246,800	5,000	490			
OCT	OCT	83787800	842760	21,610	240,710	198,000	5,000	510			water break in Oct.
NOV	NOV	84006900	864370	18,150	279,750	174,400	5,000	980			water break in Nov.
DEC	DEC	84288500	882520	21,410	268,710	198,100	5,000	1,570			water break in dec.
		84515800	903930								
tot water	tot water	2,364,400	296,190		2,660,590	2,687,257	60,000	10,970	water breaks	over/short	

this figure is a monthly estimate

60000 flushing

2,627,257 actual gallons sold

WATER STATION

Dec	131830
JAN	134060
FEB	135960
MAR	137470
APR	137910
MAY	138230
JUNE	138560
JULY	138890
AUG	139250
SEPT	139740
OCT	140250
NOV	141230
DEC	142800

2230
1900
1510
440
320
330
330
360
490
510
980
1570

Pg 12-A

COMPANY NAME CIENEGA WATER CO., Inc. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 1326.64

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Please refer to
attached pg 13-A

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>LA PAZ</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Eleanor Stephan - President</u>
COMPANY NAME
<u>Cienega Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

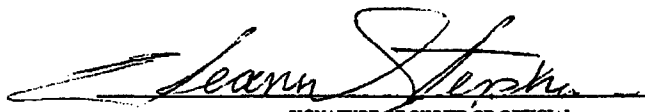
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

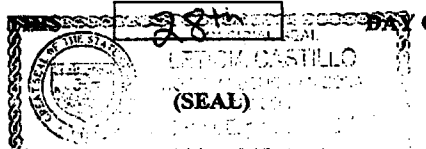
I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

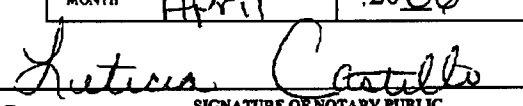

SIGNATURE OF OWNER OR OFFICIAL
928-667-2590
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

28th DAY OF

(SEAL)
MY COMMISSION EXPIRES July 16, 2008

COUNTY NAME	<u>La Paz</u>	
MONTH	<u>April</u>	<u>2006</u>


SIGNATURE OF NOTARY PUBLIC

CIENEGA WATER COMPANY, INC.

PH. 520-667-2590
P.O. BOX 3518
PARKER, AZ 85344

1300

91-2195
1221

DATE 10-2-05

PAY TO THE ORDER OF Lopez County Treasurer

\$ 1,326.64

One Thousand Three Hundred Twenty Six & 64 Cents

DOLLARS

BANK ONE.

Bank One, Arizona, NA
Parker Office (195)
Parker, Arizona

FOR Parcel # 937-42-703-6

⑈001300⑈ ⑆122100024⑆

25325354⑈

Heann Stephan

MP

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

ELLEN SOLPER
LA PAZ CO. TREASURER
1112 JOSHUA AVE #203
PARKER AZ 85344

CIENEGA WATER COMPANY
P O BOX 3518
PARKER AZ85344

TAX ROLL NUMBER 18726
PARCEL IDENTIFICATION 937-42-703 6
TAX AREA CODE 2703

RECEIPT REQUESTED ()

IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2005 2ND HALF COUPON

TO PAY 2ND HALF	PAY	663.32
-----------------	-----	--------

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2006



1593742703006200500000066332

DOR Form PTXBL (7/2005)

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

ELLEN SOLPER
LA PAZ CO. TREASURER
1112 JOSHUA AVE #203
PARKER AZ 85344

CIENEGA WATER COMPANY
P O BOX 3518
PARKER AZ85344

TAX ROLL NUMBER 18726
PARCEL IDENTIFICATION 937-42-703 6
TAX AREA CODE 2703

RECEIPT REQUESTED ()

IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2005 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	663.32
TO PAY FULL YEAR TAX	PAY	1,326.64

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2005



1593742703006200500000066332

Pg 13-A

COMPANY NAME CIENEGA WATER CO., Inc. YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances: _____

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Please refer to
attached
pg 15 AEB

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Eleanor Stephan

SIGNATURE

04-14-06

DATE

Eleanor Stephan

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>LA PAZ</u>	
NAME (OWNER OR OFFICIAL) <u>Eleanor Stephan</u>	TITLE <u>President</u>
COMPANY NAME <u>Cienega Water Co., Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$ 30,805.15</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Eleanor Stephan
SIGNATURE OF OWNER OR OFFICIAL
928-667-2590
TELEPHONE NUMBER

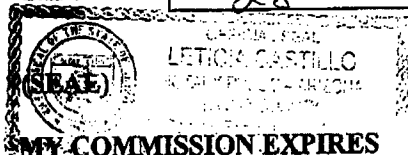
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28th

DAY OF



NOTARY PUBLIC NAME <u>Leticia Castillo</u>	
COUNTY NAME <u>La Paz</u>	
MONTH <u>April</u>	<u>2006</u>

x *Leticia Castillo*
SIGNATURE OF NOTARY PUBLIC

U.S. Corporation Income Tax Return

For calendar year 2005 or tax year beginning _____, 2005, ending _____

▶ See separate instructions.

OMB No. 1545-0123

2005

A Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch M-3) <input type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name Cienega Water Co., Inc. Number, street, and room or suite number. If a P.O. box, see instructions. P O Box 3518 City or town Parker state AZ ZIP code 85344	B Employer identification number 86-0203803 C Date incorporated 07/01/1965 D Total assets (see instructions) \$ 135,417.
--	---	--	---

E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change

INCOME	1a Gross receipts or sales 30,825.	b Less returns & allowances	c Balance	1c 30,825.
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c			3 30,825.
	4 Dividends (Schedule C, line 19)			4
	5 Interest			5
	6 Gross rents			6
	7 Gross royalties			7
	8 Capital gain net income (attach Schedule D (Form 1120))			8
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9
	10 Other income (see instructions — attach schedule)			10
	11 Total income. Add lines 3 through 10			11 30,825.
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (Schedule E, line 4)			12
	13 Salaries and wages (less employment credits)			13
	14 Repairs and maintenance			14 2,400.
	15 Bad debts			15
	16 Rents			16
	17 Taxes and licenses			17 3,090.
	18 Interest			18 10,361.
	19 Charitable contributions (see instructions for 10% limitation)			19
	20a Depreciation (attach Form 4562)	20a 8,970.		
	b Less depreciation claimed on Schedule A and elsewhere on return	20b		20c 8,970.
	21 Depletion			21
	22 Advertising			22
	23 Pension, profit-sharing, etc, plans			23
	24 Employee benefit programs			24
25 Domestic production activities deduction (attach Form 8903)			25	
26 Other deductions (attach schedule) See Other Deductions Statement			26 11,023.	
27 Total deductions. Add lines 12 through 26			27 35,844.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28 -5,019.	
29 Less: a Net operating loss deduction (see instructions)	29a		29c	
b Special deductions (Schedule C, line 20)	29b			
TAX AND PAYMENTS	30 Taxable income. Subtract line 29c from line 28 (see instructions if Sch C, line 12, was completed)			30 -5,019.
	31 Total tax (Schedule J, line 11)			31
	32 Payments: a 2004 overpayment credited to 2005	32a		
	b 2005 estimated tax payments	32b		
	c Less 2005 refund applied for on Form 4466	32c	d Bal▶	32d
	e Tax deposited with Form 7004			32e
	f Credits: (1) Form 2439 (2) Form 4136			32f
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached			33
	34 Tax due. If line 32g is smaller than the total of lines 31 and 33, enter amount owed			34
	35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid			35
36 Enter amount of line 35 you want: Credited to 2006 estimated tax Refunded			36	

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	May the IRS discuss this return with the preparer shown below? (see inst)
	Signature of officer _____ Date _____ Title _____	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Paid Preparer's Use Only	Preparer's signature ▶ tricia walker	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN 551-68-6798
	Firm's Name (or yours if self-employed), address, and ZIP code tricia walker consulting 10103 Marina Loop Parker	AZ 85344	EIN 86-0714123 Phone no. (928) 667-3517

Pa ISA

Arizona Corporation Income Tax Return

2005

120

For taxable year beginning 01/01/2005, and ending 12/31/2005

Mail to: Arizona Department of Revenue, PO Box 29079, Phoenix AZ 85038-9079

CHECK ONE:

Calendar year ☒ Fiscal year ☐

Business telephone number (928) 667-2590	Please Type or Print	Name Cienega Water Co., Inc.	Employer identification number (EIN) 86-0203803
Business activity code number (from federal Form 1120) 221300		Number and street or PO Box P O Box 3518	AZ transaction privilege tax number
		City, or town, state, and ZIP code Parker AZ 85344	

(68) Check box if: ☐ This is a first return ☐ Name change ☐ Address changeA Is FEDERAL return filed on a consolidated basis? ☐ Yes ☒ No

If yes, list EIN of common parent from consolidated return

B ARIZONA filing method: (Check only one) See instructions

1 ☒ Separate company 2 ☐ Combined (unitary group) 3 ☐ Consolidated

C If ARIZONA filing method is combined or consolidated, see Form 51 instructions

Are there any additions or deletions on Form 51? ☐ Yes ☐ NoD Is this the corporation's final ARIZONA return? ☐ Yes ☒ NoIf yes, check one: Dissolved ☐ Withdrawn ☐ Merged/Reorganized ☐

List EIN of the successor corporation, if any

(82) CHECK BOX IF:
Federal extension used to file return.82 F ☐

FOR DOR USE ONLY

(81)

(66)

1 Taxable income — per attached federal return	1	-5,019.
2 Additions to taxable income — from page 2, Schedule A, line A13	2	8,970.
3 Total taxable income — add lines 1 and 2	3	3,951.
4 Subtractions from taxable income — from page 2, Schedule B, line B13	4	8,970.
5 Adjusted income — subtract line 4 from line 3. WHOLLY ARIZONA CORPORATIONS GO TO LINE 13	5	-5,019.
6 Arizona adjusted income — from line 5. MULTISTATE CORPORATIONS ONLY	6	
7 Nonapportionable or allocable amounts — from page 3, Schedule D, line D8. Multistate corporations only	7	
8 Adjusted business income — subtract line 7 from line 6. Multistate corporations only	8	
9 Arizona apportionment ratio — from Schedule C or Schedule ACA	9	
10 Adjusted business income apportioned to Arizona — line 8 multiplied by line 9. Multistate corps only	10	
11 Other income allocated to Arizona — from page 3, Schedule E, line E7. Multistate corporations only	11	
12 Adjusted income attributable to Arizona — add lines 10 and 11. Multistate corporations only	12	
13 Arizona income before NOL — from line 5 or line 12	13	-5,019.
14 Arizona basis net operating loss carryover — attach computation schedule	14	
15 Arizona taxable income — subtract line 14 from line 13	15	-5,019.
16 Enter tax. Tax is 6.968 percent of line 15 or fifty dollars (\$50), whichever is greater	16	50.
17 Tax from recapture of tax credits — from Form 300, Part II, line 20	17	
18 Subtotal — add lines 16 and 17	18	50.
19 Clean Elections Fund Tax Reduction. Check this box to send \$5 to the fund and reduce the tax (line 18) by \$5. Enter the amount of the tax reduction	19A	
20 Nonrefundable tax credits — from Arizona Form 300, Part II, line 39	20	
21 Credit type — enter form number for each nonrefundable credit claimed	21	3 3 3 3 3
22 Tax liability — subtract the sum of lines 19 and 20 from line 18	22	50.
23 Clean Elections Fund Tax Credit. SEE INSTRUCTIONS BEFORE COMPLETING THIS LINE	23	
24 Tax liability after Clean Elections Fund tax credit — subtract line 23 from line 22	24	50.
25 Refundable tax credits — see instructions	25	
26 Credit type — enter form number for each refundable credit claimed	26	3
27 Retroactive consolidation tax payment credit — see instructions	27	
28 Extension payment made with Form 120EXT — see instructions	28	
29 Estimated tax payments — see instructions	29	
30 Total payments — see instructions	30	
31 Balance of tax due — If line 24 is larger than line 30, enter balance of tax due. Skip line 32	31	50.
32 Overpayment of tax — If line 30 is larger than line 24, enter overpayment of tax	32	
33 Penalty and interest	33	
34 Estimated tax underpayment penalty. If Form 220 is attached, check box	34A	
35 Donation to Citizens Clean Elections Fund — see instructions	35	
36 TOTAL DUE — payment must accompany return	36	50.
37 OVERPAYMENT — see instructions	37	
38 Amount of line 37 to be applied to 2006 estimated tax	38	
39 Amount to be refunded — subtract line 38 from line 37	39	

Reprint

Pg 15-B